

ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature – Second Regular Session  
**COMMITTEE ON WAYS AND MEANS**  
Report of Regular Meeting  
Monday, February 8, 2016  
House Hearing Room 3 -- 2:00 p.m.

MINUTES RECEIVED  
CHIEF CLERK'S OFFICE

2-9-16

Convened 3:26 p.m.

Recessed

Reconvened

Adjourned 5:30 p.m.

Members Present

Mr. Bolding  
Mr. Cardenas  
Mr. Mesnard  
Mr. Olson  
Ms. Ugenti-Rita  
Mr. Weninger  
Mr. Wheeler  
Mr. Kern, Vice-Chairman  
Mr. Mitchell, Chairman

Members Absent

None

Agenda

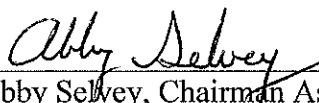
Original Agenda – Attachment 1

Request to Speak

Report – Attachment 2

Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments (Summaries, Amendments, Roll Call, Attendance)</u>
HB2308	HELD		
HB2480	HELD		
HB2568	HELD		
HB2026	DPA S/E	5-4-0-0	3, 4, 5, 6
HB2494	DP	5-4-0-0	7, 8
HB2476	DP	6-0-0-3	9, 10, 11
HB2538	DP	8-0-0-1	12, 13
HB2055	DPA	7-2-0-0	14, 15, 16
HB2570	DP	8-0-0-1	17, 18
	Committee Attendance		19

  
Abby Selvey, Chairman Assistant  
February 9, 2016

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

COMMITTEE ON WAYS AND MEANS  
Monday, February 8, 2016

Conv: 3:26 pm  
Adj: 5:30 pm

REVISED - 02/04/16

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ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature - Second Regular Session

REGULAR MEETING AGENDA

**COMMITTEE ON WAYS AND MEANS**

DATE Monday, February 8, 2016

ROOM HHR 3

TIME 2:00 P.M.

Members:

Mr. Bolding  
Mr. Cardenas  
Mr. Mesnard

Mr. Olson  
Ms. Ugenti-Rita  
Mr. Weninger

Mr. Wheeler  
Mr. Kern, Vice-Chairman  
Mr. Mitchell, Chairman

Bills	Short Title	Strike Everything Title
HB2026	<u>DPAS/E</u> municipal tax exemption; residential lease (Mitchell)	S/E: tax exemption; single family dwellings
	<u>5-4-0-0</u> WM, RULES	
→ HB2267	<del>prime contracting classification; repeal</del> (Cobb)	
	<del>WM, RULES</del>	
HB2308	<u>Held</u> special health care districts; treasurer (Cobb; Thorpe, Townsend)	
	WM, RULES	
→ HB2439	<del>property tax valuation</del> (Petersen, Mitchell)	
	<del>WM, RULES</del>	
HB2476	<u>DP</u> school property; sales; leases; use (Norgaard; Ackerley, Bowers, et al)	
	<u>6-0-0-3</u> WM, RULES	

Bills	Short Title	Strike Everything Title
HB2480	<u>Held</u> regents; officers; technical correction (Olson) WM, RULES	
*HB2494	<u>DP</u> tax credit; concealed weapon permits (Montenegro) <u>5-4-0-0</u> WM held 0-0-0-0-0, RULES	
HB2538	<u>DP</u> municipal bonds; tax levy (Mesnard, Cardenas, Coleman, et al) <u>8-0-0-1</u> WM, RULES	

### ADDENDUM #1 - 02/04/16

HB2055	<u>DPA</u> class six property; elderly homeowners (Cardenas) <u>7-2-0-0</u> WM, RULES
HB2568	<u>Held</u> community facilities districts; formation; governance (Gowan) WM, RULES
HB2570	<u>DP</u> local government bonds; ballot statement (Allen J) <u>8-0-0-1</u> WM, RULES

\* On previous agenda

### ORDER OF BILLS TO BE SET BY THE CHAIRMAN

ams  
2/4/16

**People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.**

# Information Registered on the Request to Speak System

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*House Ways and Means (2/8/2016)*

## **HB2026, municipal tax exemption; residential lease**

### **Testified as opposed:**

Nicole Lance, SURPRISE, CITY OF; Patrice Kraus, LEAGUE OF ARIZONA CITIES & TOWNS; Michael Colletto, PROFESSIONAL FIRE FIGHTERS OF AZ

### **Support:**

Walter Dudley, representing self

### **Neutral:**

Sean Laux, AZ DEPT OF REVENUE

### **Oppose:**

Bryan Martyn, City Of Surprise; Brad Lundahl, SCOTTSDALE, CITY OF; Amber Wakeman, City Of El Mirage; Barry Aarons, City Of Prescott, City Of Scottsdale; Mary Ann Miller, TEMPE CHAMBER OF COMMERCE; Heather Wilkey, Town Of Gilbert; Paul Jepson, City Of Maricopa; Rob Bohr, GOODYEAR, CITY OF; Ryan Peters, CHANDLER, CITY OF; Alison Zelms, Deputy City Manager, PRESCOTT, CITY OF; Brent Stoddard, Director of Intergovernmental Programs, GLENDALE, CITY OF; Jessica Blazina, City Of Avondale; Anna McCray, APACHE JUNCTION, CITY OF; Marge Zylla, TEMPE, CITY OF; Daniel White, representing self; Lana Mook, representing self; Nick Debus, CHANDLER CHAMBER OF COMMERCE; Daryl Seymore, representing self; Ed Muder, representing self; Thomas Adkins, City Of Peoria; Dawn Marie Buckland, PARADISE VALLEY, TOWN OF; John Wayne Gonzales, Legislative Liaison, City Of Phoenix; Erin Roper, representing self; Miranda DeWitt, MESA, CITY OF

### **All Comments:**

Bryan Martyn, City Of Surprise: City of Surprise, AZ opposes the bill in its current form.; Heather Wilkey, Town Of Gilbert: The decision to tax rental properties was made at the recommendation of a citizen advisory group. HB 2026 can't be applied equitably to taxpayers, nor are there protections in place for individuals who attempt to game the system by establishing LLCs.; Nicole Lance, SURPRISE, CITY OF: Due to availability of attendees, request to speak on this item in representation of the City of Surprise.; Brent Stoddard, GLENDALE, CITY OF: Opposed to Striker; Lana Mook, Self: Mayor of the City of El Mirage; Daryl Seymore, Self: Mayor Daryl Seymore of Show Low urges you to OPPOSE this bill.; Ed Muder, Self: Show Low City Manager Ed Muder urges you to OPPOSE this bill.; John Wayne Gonzales, City Of Phoenix: The Phoenix City Council took a formal vote to oppose this measure. While staff is still calculating the financial impacts to the City, we are still in opposition due to preserving local control.; Erin Roper, Self: The City of Kingman does not support this bill.

## **HB2308, special health care districts; treasurer**

### **Support:**

John MacDonald, Maricopa Integrated Healthcare System; Jason Barraza, Associate Director, MIHS; Douglas Cole, MARICOPA COUNTY

## **HB2439, property tax valuation**

### **Support:**

Domingos Santos, representing self

### **All Comments:**

Domingos Santos, Self: None.

## **HB2476, school property; sales; leases; use**

### **Testified in support:**

Sean McCarthy, AZ TAX RESEARCH ASSN

### **Support:**

Janice Palmer, AZ School Boards Assn; Eric Emmert, East Valley Chambers Of Commerce Alliance ; Meghaen Dell'Artino, Education Finance Reform Group; Charles Essigs, Director of Government Relations, Arizona Association Of School Business Officials; Mark Barnes, AZ SCHOOL ADMINISTRATORS ASSOC

### **Neutral:**

Stacey Morley, AZ EDUCATION ASSN

### **All Comments:**

Meghaen Dell'Artino, Education Finance Reform Group: need amendment; Charles Essigs, Arizona Association Of School Business Officials: Definition of debt limits for districts to use proceeds need to be updated

## **HB2494, tax credit; concealed weapon permits**

### **Testified in support:**

Randal Totten, representing self; Dave Kopp, Manager, AZ CITIZENS DEFENSE LEAGUE INC

### **Testified as neutral:**

Sean Laux, AZ DEPT OF REVENUE

### **Support:**

Darrell Collins, representing self; Martin Shapiro, representing self; Warren McCollom, representing self; Ellen Shea, representing self; Donald Scott, representing self; Ronald Yospur, representing self; Steven Baranowski, representing self; JoAnn Dutton, representing self; Daniel Salerno, representing self; Sean Baguley, representing

self; Edward Bluma, representing self; Ronald Kopf, representing self; Purdy Hart, representing self; Drake Mitchell, AZ CITIZENS DEFENSE LEAGUE INC

### **Oppose:**

Peggy Wenrick, representing self; Joanna Marroquin, representing self; Pat VanMaanen, representing self; Paige Wambold, representing self; Joshua Huggins, representing self; Arnulfo Palma, representing self; Erica Sussman, representing self; Kirin Goff, representing self; Karen McClelland, representing self; Karen Peters, representing self; Zaida Dedolph, representing self; Zaida Dedolph, PROTECTING ARIZONA'S FAMILY COALITION; Brent Kleinman, representing self; Mary Pradelt, representing self; Sam Richard, PROTECTING ARIZONA'S FAMILY COALITION

### **All Comments:**

Ellen Shea, Self: Please do not accept hostile amendments; Donald Scott, Self: Please do not accept hostile amendments.; Steven Baranowski, Self: Do not accept hostile amendments.; Peggy Wenrick, Self: Had this bill been in effect last year, \$2,000,000 of taxpayer money would have been diverted to this program. In a state where we struggle and fall short of funding public education, this is a no go.; Randal Totten, Self: I urge you to pass this bill. Would allow for a tax credit for CCW training costs.; Daniel Salerno, Self: This bill supports a foundational constitutional principal that the people have the right to bear arms. With that, this bill will incentivize the ability to carry with a permit. Please do not water down this bills intent with bad amendments.; Arnulfo Palma, Self: Opposed; Karen McClelland, Self: Tax credits are bad financial policy. As a gun owner, I believe training would be great for all gun owners this is not the way to do it. I do not see why my tax dollars should subsidize anyone's training.; Mary Pradelt, Self: AZ taxpayers should not be required to pay for training that provides no measurable level of added public safety; there are many areas of greater need for the estimated annual cost of at least \$2 million; Drake Mitchell, AZ CITIZENS DEFENSE LEAGUE INC: Lets do something to increase the education of our citizens. If you want to reduce negligent use of a firearm, help to educate or citizens with this bill. Some people say "if it only saves one life it is worth it".; Sam Richard, PROTECTING ARIZONA'S FAMILY COALITION: Any reduction in General Fund revenues at this time is premature and affects the delivery of essential programs and services for Arizona's most vulnerable.

## **HB2538, municipal bonds; tax levy**

### **Testified in support:**

Nick Simonetta, Town Of Gilbert; Kelly Pfost, representing self

### **Testified as neutral:**

Kevin McCarthy, Arizona Tax Research Association

### **Support:**

Brad Lundahl, SCOTTSDALE, CITY OF; Mayor John Lewis, Mayor, Town of Gilbert, representing self; Kathy Tilque, representing self; Paul Jepson, City Of Maricopa; Ryan Peters, CHANDLER, CITY OF; Nicole Lance, SURPRISE, CITY OF; Eric Emmert, East Valley Chambers Of Commerce Alliance ; Dawn Marie Buckland, PARADISE VALLEY, TOWN OF; Patrice Kraus, LEAGUE OF ARIZONA CITIES & TOWNS

## **HB2055, class six property; elderly homeowners**

### **Testified in support:**

Charles 'Hos' Hoskins, representing self; Michael Combrink, Maricopa County Assessor's Office; russell pearce, representing self; Kathie Farr, representing self

### **Testified as neutral:**

Sean Laux, AZ DEPT OF REVENUE

### **Testified as opposed:**

Kevin McCarthy, Arizona Tax Research Association; Megan Kintner, AZ ASSOCIATION OF COUNTIES

### **Support:**

Ken Sumner, representing self; cheri mccloskey, representing self; Vince Roberts, representing self; Phil Hazlett, representing self; Paul Petersen, representing self

### **Oppose:**

Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH

### **All Comments:**

Ken Sumner, Self: Removing a tax break to low-income fixed budget elderly could be detrimental to many. This bill would re-classify those individuals whom need those tax breaks the most.; Vince Roberts, Self: Vince Roberts President Arizona Constables Association; Michael Combrink, Maricopa County Assessor's Office: If Assessor Petersen is not able to attend I would like to opportunity to talk.; Paul Petersen, Self: The Maricopa County Assessor's office supports this bill.; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH: The Goldwater Institute is opposed to this legislation.; Kathie Farr, Self: Many seniors rely on fixed incomes, so any additional expense is unacceptable and would put our independence at risk.

## **HB2568, community facilities districts; formation; governance**

### **Neutral:**

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

### **Oppose:**

Rob Bohr, GOODYEAR, CITY OF; Tom Belshe, League Of Arizona Cities And Towns; Rob Bohr, GOODYEAR, CITY OF; Richard Bohan, MARICOPA COUNTY

## **HB2570, local government bonds; ballot statement**

### **Testified as opposed:**

Tom Belshe, League Of Arizona Cities And Towns

**Support:**

Jose Borrajero, representing self; Richard Hofelich, representing self; martha hayes, representing self; Susan Hicks, representing self; Joyce Hill, representing self; Tom Holding, representing self; Terry Hill, representing self; Jim Dutton, representing self; Sandi Bartlett, representing self; Janelle Solomon, representing self; Lynne Weaver, representing self

**Neutral:**

Janice Palmer, AZ School Boards Assn; Stacey Morley, AZ EDUCATION ASSN

**Oppose:**

Trey Williams, AZ ASSOCIATION OF COUNTIES; Robert Shuler, ROOSEVELT WATER CONSERVATION DIST, WELLTON-MOHAWK IRRIGATION & DRAINAGE DISTRICT; Charles Essigs, Director of Government Relations, Arizona Association Of School Business Officials; Robert Lynch, IRRIGATION AND ELECTRICAL DIST ASSN; Shane Leonard, representing self

**All Comments:**

Robert Shuler, ROOSEVELT WATER CONSERVATION DIST, WELLTON-MOHAWK IRRIGATION & DRAINAGE DISTRICT: Oppose unless amended; Janice Palmer, AZ School Boards Assn: have concerns about workability of the language; Robert Lynch, IRRIGATION AND ELECTRICAL DIST ASSN: Our concerns were emailed to Chairman Mitchell this morning. We are against unless amended.; Shane Leonard, Self: Roosevelt Water Conservation District (RWCD) is opposed to the bill as written. It creates an impossibility for RWCD as our assessment/bond obligations are valued on a per acre basis, not on assessed valuation.





# HOUSE OF REPRESENTATIVES

HB 2026

municipal tax exemption; residential lease

Prime Sponsor: Representative Mitchell, LD 13

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X Committee on Ways and Means

Caucus and COW

House Engrossed

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## **OVERVIEW**

HB 2026 prohibits a city or town from levying any tax on the business of leasing or renting real property.

## **Summary of the Strike-Everything Amendment to HB 2026**

The proposed strike-everything amendment to HB 2026 exempts an individual who owns three or fewer single family homes for use as rental property from municipal and special taxing district rental tax.

## **PROVISIONS**

1. Specifies that an individual who owns three or fewer single family homes for use as residential rental property is exempt from municipal or special taxing district rental tax.
2. Stipulates that the single family homes must be titled and assessed in the name of the homeowner and located within the boundaries of the municipality or special taxing district.
3. Defines *single family dwelling*.
4. Makes technical and conforming changes.

## **CURRENT LAW**

A.R.S. Title 42, Chapter 6, Article 1 governs municipal rental occupancy taxes. A rental occupancy tax is a transaction privilege, sales, use, franchise, license or other similar tax imposed on the business of renting or leasing real property. The Department of Revenue collects and administers the tax in the same manner as any transaction privilege tax. A municipality is prohibited from imposing or increasing the rate of a rental tax without approval by the voters at a regular municipal election.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2026

(Reference to the proposed Mitchell s/e amendment dated 2/04/2016; 1:59 p.m.)

- 1 Page 10, between lines 14 and 15, insert:
- 2 "Sec. 2. Effective date
- 3 Section 42-6004, Arizona Revised Statutes, as amended by this act, is
- 4 effective from and after December 31, 2016."
- 5 Amend title to conform

DARIN MITCHELL

2026MITCHELL  
02/05/2016  
09:32 AM  
H: MM/rca

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2026

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 42-6004, Arizona Revised Statutes, is amended to  
3 read:

4 42-6004. Exemption from municipal tax; definitions

5 A. A city, town or special taxing district shall not levy a  
6 transaction privilege, sales, use or other similar tax on:

7 1. Exhibition events in this state sponsored, conducted or operated by  
8 a nonprofit organization that is exempt from taxation under section  
9 501(c)(3), 501(c)(4) or 501(c)(6) of the internal revenue code if the  
10 organization is associated with a major league baseball team or a national  
11 touring professional golfing association and no part of the organization's  
12 net earnings inures to the benefit of any private shareholder or individual.

13 2. Interstate telecommunications services, which include that portion  
14 of telecommunications services, such as subscriber line service, allocable by  
15 federal law to interstate telecommunications service.

16 3. Sales of warranty or service contracts.

17 4. Sales of motor vehicles to nonresidents of this state for use  
18 outside this state if the motor vehicle dealer ships or delivers the motor  
19 vehicle to a destination outside this state.

20 5. Interest on finance contracts.

21 6. Dealer documentation fees on the sales of motor vehicles.

22 7. Sales of food or other items purchased with United States  
23 department of agriculture food stamp coupons issued under the food stamp act  
24 of 1977 (P.L. 95-113; 91 Stat. 958) or food instruments issued under section

1 17 of the child nutrition act (P.L. 95-627; 92 Stat. 3603; P.L. 99-661,  
2 section 4302; 42 United States Code section 1786) but may impose such a tax  
3 on other sales of food. If a city, town or special taxing district exempts  
4 sales of food from its tax or imposes a different transaction privilege rate  
5 on the gross proceeds of sales or gross income from sales of food and nonfood  
6 items, it shall use the definition of food prescribed by rule adopted by the  
7 department pursuant to section 42-5106.

8 8. Orthodontic devices dispensed by a dental professional who is  
9 licensed under title 32, chapter 11 to a patient as part of the practice of  
10 dentistry.

11 9. Sales of internet access services to the person's subscribers and  
12 customers. For the purposes of this paragraph:

13 (a) "Internet" means the computer and telecommunications facilities  
14 that comprise the interconnected worldwide network of networks that employ  
15 the transmission control protocol or internet protocol, or any predecessor or  
16 successor protocol, to communicate information of all kinds by wire or radio.

17 (b) "Internet access" means a service that enables users to access  
18 content, information, electronic mail or other services over the internet.  
19 Internet access does not include telecommunication services provided by a  
20 common carrier.

21 10. The gross proceeds of sales or gross income retained by the Arizona  
22 exposition and state fair board from ride ticket sales at the annual Arizona  
23 state fair.

24 ~~11. Through August 31, 2014, sales of Arizona centennial medallions by~~  
25 ~~the historical advisory commission.~~

26 ~~12.~~ 11. Leasing real property between affiliated companies,  
27 businesses, persons or reciprocal insurers. For the purposes of this  
28 paragraph:

29 (a) "Affiliated companies, businesses, persons or reciprocal insurers"  
30 means the lessor holds a controlling interest in the lessee, the lessee holds  
31 a controlling interest in the lessor, affiliated persons hold a controlling

1 interest in both the lessor and the lessee, or an unrelated person holds a  
2 controlling interest in both the lessor and lessee.

3 (b) "Affiliated persons" means members of the individual's family or  
4 persons who have ownership or control of a business entity.

5 (c) "Controlling interest" means direct or indirect ownership of at  
6 least eighty percent of the voting shares of a corporation or of the  
7 interests in a company, business or person other than a corporation.

8 (d) "Members of the individual's family" means the individual's spouse  
9 and brothers and sisters, whether by whole or half blood, including adopted  
10 persons, ancestors and lineal descendants.

11 (e) "Reciprocal insurer" has the same meaning prescribed in section  
12 20-762.

13 ~~13.~~ 12. The gross proceeds of sales or gross income derived from a  
14 contract for the installation, assembly, repair or maintenance of machinery,  
15 equipment or other tangible personal property that is described in section  
16 42-5061, subsection B and that has independent functional utility, pursuant  
17 to the following provisions:

18 (a) The deduction provided in this paragraph includes the gross  
19 proceeds of sales or gross income derived from all of the following:

20 (i) Any activity performed on machinery, equipment or other tangible  
21 personal property with independent functional utility.

22 (ii) Any activity performed on any tangible personal property relating  
23 to machinery, equipment or other tangible personal property with independent  
24 functional utility in furtherance of any of the purposes provided for under  
25 subdivision (d) of this paragraph.

26 (iii) Any activity that is related to the activities described in  
27 items (i) and (ii) of this subdivision, including inspecting the installation  
28 of or testing the machinery, equipment or other tangible personal property.

29 (b) The deduction provided in this paragraph does not include gross  
30 proceeds of sales or gross income from the portion of any contracting  
31 activity that consists of the development of, or modification to, real  
32 property in order to facilitate the installation, assembly, repair,

1 maintenance or removal of machinery, equipment or other tangible personal  
2 property described in section 42-5061, subsection B.

3 (c) The deduction provided in this paragraph shall be determined  
4 without regard to the size or useful life of the machinery, equipment or  
5 other tangible personal property.

6 (d) For the purposes of this paragraph, "independent functional  
7 utility" means that the machinery, equipment or other tangible personal  
8 property can independently perform its function without attachment to real  
9 property, other than attachment for any of the following purposes:

10 (i) Assembling the machinery, equipment or other tangible personal  
11 property.

12 (ii) Connecting items of machinery, equipment or other tangible  
13 personal property to each other.

14 (iii) Connecting the machinery, equipment or other tangible personal  
15 property, whether as an individual item or as a system of items, to water,  
16 power, gas, communication or other services.

17 (iv) Stabilizing or protecting the machinery, equipment or other  
18 tangible personal property during operation by bolting, burying or performing  
19 other dissimilar nonpermanent connections to either real property or real  
20 property improvements.

21 ~~14-~~ 13. The leasing or renting of certified ignition interlock devices  
22 installed pursuant to the requirements prescribed by section 28-1461. For  
23 the purposes of this paragraph, "certified ignition interlock device" has the  
24 same meaning prescribed in section 28-1301.

25 ~~15-~~ 14. Computer data center equipment purchased by the owner,  
26 operator or qualified colocation tenant of the computer data center or an  
27 authorized agent of the owner, operator or qualified colocation tenant during  
28 the qualification period for use in a computer data center that is certified  
29 by the Arizona commerce authority under section 41-1519. To qualify for this  
30 deduction, at the time of purchase, the owner, operator or qualified  
31 colocation tenant must present to the retailer its certificate that is issued  
32 pursuant to section 41-1519 and that establishes its qualification for the

1 deduction. For the purposes of this paragraph, "computer data center",  
2 "computer data center equipment", "qualification period" and "qualified  
3 colocation tenant" have the same meanings prescribed in section 41-1519.

4 ~~16-~~ 15. The gross proceeds of sales or gross income derived from a  
5 contract with the owner of real property or improvements to real property for  
6 the maintenance, repair, replacement or alteration of existing property,  
7 except as specified in this paragraph. The gross proceeds of sales or gross  
8 income derived from a de minimis amount of modification activity does not  
9 subject the contract or any part of the contract to tax. For the purposes of  
10 this paragraph:

11 (a) Each contract is independent of another contract, except that any  
12 change order that directly relates to the scope of work of the original  
13 contract shall be treated the same as the original contract under this  
14 chapter PARAGRAPH, regardless of the amount of modification activities  
15 included in the change order. If a change order does not directly relate to  
16 the scope of work of the original contract, the change order shall be treated  
17 as a new contract, with the tax treatment of any subsequent change order to  
18 follow the tax treatment of the contract to which the scope of work of the  
19 subsequent change order directly relates.

20 (b) Any term not defined in this paragraph that is defined in section  
21 42-5075 has the same meaning prescribed in section 42-5075.

22 (c) This paragraph does not apply to a contract that primarily  
23 involves surface or subsurface improvements to land and that is subject to  
24 title 28, chapter 19, 20 or 22 or title 34, chapter 2 or 6 even if the  
25 contract also includes vertical improvements. If a city or town imposes a  
26 tax on contracts that are subject to procurement processes under those  
27 provisions, the city or town shall include in the request for proposals a  
28 notice to bidders when those projects are subject to the tax. This  
29 subdivision does not apply to contracts with:

30 (i) Community facilities districts, fire districts, county television  
31 improvement districts, community park maintenance districts, cotton pest  
32 control districts, hospital districts, pest abatement districts, health

1 service districts, agricultural improvement districts, county free library  
2 districts, county jail districts, county stadium districts, special health  
3 care districts, public health services districts, theme park districts,  
4 regional attraction districts or revitalization districts.

5 (ii) Any special taxing district not specified in item (i) of this  
6 subdivision if the district does not substantially engage in the  
7 modification, maintenance, repair, replacement or alteration of surface or  
8 subsurface improvements to land.

9 ~~17-~~ 16. Monitoring services relating to an alarm system as defined in  
10 section 32-101.

11 ~~18-~~ 17. Tangible personal property, job printing or publications sold  
12 to or purchased by, or tangible personal property leased, rented or licensed  
13 for use to or by, a qualifying health sciences educational institution as  
14 defined in section 42-5001.

15 ~~19-~~ 18. The transfer of title or possession of coal back and forth  
16 between an owner or operator of a power plant and a person who is responsible  
17 for refining coal if both of the following apply:

18 (a) The transfer of title or possession of the coal is for the purpose  
19 of refining the coal.

20 (b) The title or possession of the coal is transferred back to the  
21 owner or operator of the power plant after completion of the coal refining  
22 process. For the purposes of this subdivision, "coal refining process" means  
23 the application of a coal additive system that aids the reduction of power  
24 plant emissions during the combustion of coal and the treatment of flue gas.

25 ~~20-~~ 19. The gross proceeds of sales or gross income from sales of low  
26 or reduced cost articles of food or drink to eligible elderly or homeless  
27 persons or persons with a disability by a business subject to tax under  
28 section 42-5074 that contracts with the department of economic security and  
29 that is approved by the food and nutrition service of the United States  
30 department of agriculture pursuant to the supplemental nutrition assistance  
31 program established by the food and nutrition act of 2008 (P.L. 110-246; 122  
32 Stat. 1651; 7 United States Code sections 2011 through 2036a), if the



1 purchases are made with the benefits issued pursuant to the supplemental  
2 nutrition assistance program.

3 ~~21.~~ 20. Tangible personal property incorporated or fabricated into a  
4 project described in paragraph ~~16~~ 15 of this subsection, that is located  
5 within the exterior boundaries of an Indian reservation for which the owner,  
6 as defined in section 42-5075, of the project is an Indian tribe or an  
7 affiliated Indian. For the purposes of this paragraph:

8 (a) "Affiliated Indian" means an individual native American Indian who  
9 is duly registered on the tribal rolls of the Indian tribe for whose benefit  
10 the Indian reservation was established.

11 (b) "Indian reservation" means all lands that are within the limits of  
12 areas set aside by the United States for the exclusive use and occupancy of  
13 an Indian tribe by treaty, law or executive order and that are recognized as  
14 Indian reservations by the United States department of the interior.

15 (c) "Indian tribe" means any organized nation, tribe, band or  
16 community that is recognized as an Indian tribe by the United States  
17 department of the interior and includes any entity formed under the laws of  
18 that Indian tribe.

19 ~~22.~~ 21. The charges for the leasing or renting of space to make  
20 attachments to utility poles as follows:

21 (a) By a person that is engaged in the business of providing or  
22 furnishing electrical services or telecommunication services or that is a  
23 cable operator.

24 (b) To a person that is engaged in the business of providing or  
25 furnishing electrical services or telecommunication services or that is a  
26 cable operator.

27 B. A city, town or other taxing jurisdiction shall not levy a  
28 transaction privilege, sales, use, franchise or other similar tax or fee,  
29 however denominated, on natural gas or liquefied petroleum gas used to propel  
30 a motor vehicle.

31 C. A city, town or other taxing jurisdiction shall not levy a  
32 transaction privilege, sales, gross receipts, use, franchise or other similar

1 tax or fee, however denominated, on gross proceeds of sales or gross income  
2 derived from any of the following:

3 1. A motor carrier's use on the public highways in this state if the  
4 motor carrier is subject to a fee prescribed in title 28, chapter 16,  
5 article 4.

6 2. Leasing, renting or licensing a motor vehicle subject to and on  
7 which the fee has been paid under title 28, chapter 16, article 4.

8 3. The sale of a motor vehicle and any repair and replacement parts  
9 and tangible personal property becoming a part of such motor vehicle to a  
10 motor carrier who is subject to a fee prescribed in title 28, chapter 16,  
11 article 4 and who is engaged in the business of leasing, renting or licensing  
12 such property.

13 4. Incarcerating or detaining in a privately operated prison, jail or  
14 detention facility prisoners who are under the jurisdiction of the United  
15 States, this state or any other state or a political subdivision of this  
16 state or of any other state.

17 5. Transporting for hire persons, freight or property by light motor  
18 vehicles subject to a fee under title 28, chapter 15, article 4.

19 6. Any amount attributable to development fees that are incurred in  
20 relation to the construction, development or improvement of real property and  
21 paid by the taxpayer as defined in the model city tax code or by a contractor  
22 providing services to the taxpayer. For the purposes of this paragraph:

23 (a) The attributable amount shall not exceed the value of the  
24 development fees actually imposed.

25 (b) The attributable amount is equal to the total amount of  
26 development fees paid by the taxpayer or by a contractor providing services  
27 to the taxpayer and the total development fees credited in exchange for the  
28 construction of, contribution to or dedication of real property for providing  
29 public infrastructure, public safety or other public services necessary to  
30 the development. The real property must be the subject of the development  
31 fees.

1           (c) "Development fees" means fees imposed to offset capital costs of  
2     providing public infrastructure, public safety or other public services to a  
3     development and authorized pursuant to section 9-463.05, section 11-1102 or  
4     title 48 regardless of the jurisdiction to which the fees are paid.

5           D. A city, town or other taxing jurisdiction shall not levy a  
6     transaction privilege, sales, use, franchise or other similar tax or fee,  
7     however denominated, in excess of one-tenth of one percent of the value of  
8     the entire product mined, smelted, extracted, refined, produced or prepared  
9     for sale, profit or commercial use, on persons engaged in the business of  
10    mineral processing, except to the extent that the tax is computed on the  
11    gross proceeds or gross income from sales at retail.

12          E. In computing the tax base, any city, town or other taxing  
13    jurisdiction shall not include in the gross proceeds of sales or gross  
14    income:

15          1. A manufacturer's cash rebate on the sales price of a motor vehicle  
16    if the buyer assigns the buyer's right in the rebate to the retailer.

17          2. The waste tire disposal fee imposed pursuant to section 44-1302.

18          F. A city or town shall not levy a use tax on the storage, use or  
19    consumption of tangible personal property in the city or town by a school  
20    district or charter school.

21          G. AN INDIVIDUAL WHO OWNS THREE OR FEWER SINGLE FAMILY DWELLINGS THAT  
22    ARE TITLED AND ASSESSED IN THE NAME OF THE INDIVIDUAL, AND THAT ARE ALL  
23    LOCATED WITHIN THE EXTERIOR BOUNDARIES OF THE SAME CITY, TOWN OR SPECIAL  
24    TAXING DISTRICT, AND WHO RENTS THEM FOR RESIDENTIAL USE, IS NOT CONSIDERED TO  
25    BE IN THE RENTAL BUSINESS WITH RESPECT TO THOSE DWELLINGS, AND THE CITY, TOWN  
26    OR DISTRICT SHALL NOT LEVY A TRANSACTION PRIVILEGE, SALES, USE, FRANCHISE,  
27    LICENSE OR OTHER SIMILAR TAX OR FEE, HOWEVER DENOMINATED, ON THE GROSS  
28    PROCEEDS OR GROSS INCOME FROM THE RENTAL ACTIVITY. FOR THE PURPOSES OF THIS  
29    SUBSECTION, "SINGLE FAMILY DWELLING" MEANS A RESIDENTIAL STRUCTURE, INCLUDING  
30    A MOBILE OR MANUFACTURED HOME, REGARDLESS OF SIZE, THAT IS MAINTAINED AND  
31    USED AS A SINGLE DWELLING UNIT, THAT HAS DIRECT ACCESS TO A STREET OR  
32    THOROUGHFARE AND THAT DOES NOT SHARE COMMON WALLS, HEATING, AIR CONDITIONING,

1 HOT WATER EQUIPMENT OR ANY OTHER ESSENTIAL FACILITY OR SERVICE WITH ANY OTHER  
2 DWELLING UNIT.

3 ~~G.~~ H. For the purposes of this section:

4 1. "Cable operator" has the same meaning prescribed by IN section  
5 9-505.

6 2. "Electrical services" means transmitting or distributing  
7 electricity, electric lights, current or power over lines, wires or cables.

8 3. "Telecommunication services" means transmitting or relaying sound,  
9 visual image, data, information, images or material over lines, wires or  
10 cables by radio signal, light beam, telephone, telegraph or any other  
11 electromagnetic means.

12 4. "Utility pole" means any wooden, metal or other pole used for  
13 utility purposes and the pole's appurtenances that are attached or authorized  
14 for attachment by the person controlling the pole."

15 Amend title to conform

DARIN MITCHELL

2026dm1  
02/04/2016  
1:59 PM  
C: dmt

**ARIZONA HOUSE OF REPRESENTATIVES**  
**Fifty-second Legislature - Second Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON \_\_\_\_\_ WAYS AND MEANS \_\_\_\_\_ BILL NO. \_\_\_\_\_ HB 2026

DATE \_\_\_\_\_ February 8, 2016 \_\_\_\_\_ MOTION: DPAS/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding			✓		
Mr. Cardenas	✓		✓		
Mr. Mesnard	✓	✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger			✓		
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		5	4	0	0

APPROVED:

  
\_\_\_\_\_  
DARIN MITCHELL, Chairman  
ANTHONY KERN, Vice-Chairman

  
\_\_\_\_\_  
COMMITTEE SECRETARY

ATTACHMENT 6



# HOUSE OF REPRESENTATIVES

HB 2494

tax credit; concealed weapon permits

Prime Sponsor: Representative Montenegro, LD 13

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X Committee on Ways and Means

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2494 establishes a tax credit for the costs associated with obtaining a concealed weapons permit.

## PROVISIONS

1. Creates a tax credit, not exceeding \$80, for the costs of required training courses or classes taken for the purposes of obtaining a concealed weapons permit.
2. Specifies that a taxpayer who was denied a concealed weapons permit is ineligible to receive the credit.
3. Permits a five year carryforward of the credit.
4. Permits the Department of Revenue to require documentary evidence from the claimant to confirm eligibility and the credit amount.
5. Adds the tax credit to the Joint Legislative Income Tax Credit Review Committee review schedule.
6. States that the purpose of this Act is to promote public safety by easing the cost of obtaining and maintaining permits to carry concealed weapons.
7. Contains a retroactive effective date of January 1, 2016.

## CURRENT LAW

A.R.S. § 13-3112 outlines the qualifications necessary to obtain a concealed weapon permit from Department of Public Safety (DPS). In order to apply for a permit, a person must submit an application along with two sets of fingerprints and a reasonable fee, determined by the Director of DPS and meet each of the following requirements:

- Is a resident of Arizona or a United States citizen;
- Is 21 years of age or older;
- Is not under indictment for, and has not been convicted in any jurisdiction, of a felony;
- Does not suffer from mental illness and has not been adjudicated mentally incompetent or committed to a mental institution;
- Is legally present in the United States; and
- Demonstrates competence with a firearm and provides adequate documentation that supports the demonstrated competence.

**ARIZONA HOUSE OF REPRESENTATIVES**  
**Fifty-second Legislature - Second Regular Session**


**ROLL CALL VOTE**

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2494

DATE February 8, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding			✓		
Mr. Cardenas			✓		
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita			✓		
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		5	4	0	0

APPROVED:

  
\_\_\_\_\_  
DARIN MITCHELL, Chairman  
ANTHONY KERN, Vice-Chairman

  
\_\_\_\_\_  
COMMITTEE SECRETARY

ATTACHMENT 8



# HOUSE OF REPRESENTATIVES

HB 2476

school property; sales; leases; use

Prime Sponsor: Representative Norgaard, LD 18

X Committee on Ways and Means

Caucus and COW

House Engrossed

## OVERVIEW

HB 2476 repeals and replaces A.R.S. § 15-1102 relating to the sale or lease of school property.

## PROVISIONS

1. Repeals and replaces A.R.S. § 15-1102 relating to the sale or lease of school property.
2. Allows a common school district or a high school district with an outstanding bond indebtedness of, at most, 7% of the assessed valuation or a unified school district with an outstanding bond indebtedness of, at most, 14% of the assessed valuation to use proceeds from the sale or lease of school property as follows:
  - a. The total proceeds from the sale of school property to another school before July 1, 2016 or from the lease of school property for more than one year to anyone that is not a school:
    - i. Any amount may be used for maintenance & operation (M&O), up to 15% of the Revenue Control Limit (RCL).
    - ii. Any amount may be used towards capital outlay.
  - b. The total proceeds from the sale of school property, sold after June 30, 2016, exceeding \$100,000 to any one that is not a school may only be used for capital outlay.
3. Allows a common school district or a high school district with an outstanding bond indebtedness greater than 7% of the assessed valuation or a unified school district with an outstanding bond indebtedness greater than 14% of the assessed valuation to use proceeds from the sale or lease of school property as follows:
  - a. The total proceeds from the sale of school property to another school before July 1, 2016 or from the lease of school property for more than one year to anyone that is not a school:
    - i. No more than 25% of the monies may be used for M&O and cannot exceed 15% of the RCL.
    - ii. Any amount may be used for capital outlay.
  - b. The total proceeds from the sale of school property, sold after June 30, 2016, exceeding \$100,000 to anyone that is not a school:
    - i. No monies may be used for M&O
    - ii. At least 38% of proceeds must be used for the payment of any outstanding bonded indebtedness or for the reduction of taxes.
    - iii. All remaining monies may be used for capital outlay.
4. Combines the three school plant funds into one.
5. Removes language allowing a school district governing board to use proceeds from the sale of school property before July 1, 1998 or from the lease of school property for additional M&O expenses incurred from operating a year-round school.



6. Strikes the requirement that proceeds from the sale of school property that have been approved by the voters be put into a separate fund for the approved purpose.
7. Specifies that the restrictions on proceeds from the sale and lease of school property established by this Act do not apply to proceeds from:
  - a. leases of school property to other schools;
  - b. leases of school property for less than one year; or
  - c. sales of school property of less than \$100,000.
8. Stipulates that a lease of school property for less than one year that includes an automatic lease renewal extending the lease over a year is considered a lease of more than one year.
9. Contains a retroactive effective date of July 1, 2016.

**CURRENT LAW**

School district governing boards are locally elected governing bodies charged with administering the schools within the district. A.R.S. § 15-342 provides school district governing boards with discretionary powers including the authority to sell school sites and enter into leases or lease-purchase agreements. School district governing boards are required to call an election to approve the sale or lease of property that is over \$50,000 in value, with certain exceptions.

A.R.S. § 15-1102 authorizes a school district governing board to expend the proceeds from the sale or lease of school property on any outstanding bond indebtedness or to reduce district taxes, without limitations. Additionally, proceeds may be expended for M&O or capital outlay purposes, with limitations. Limitations on the expenditure for M&O or capital outlay purposes are broken into two categories. For non-unified school districts with an outstanding bond indebtedness of 7% of the assessed valuation or less or 14% or less for unified districts, the following apply:

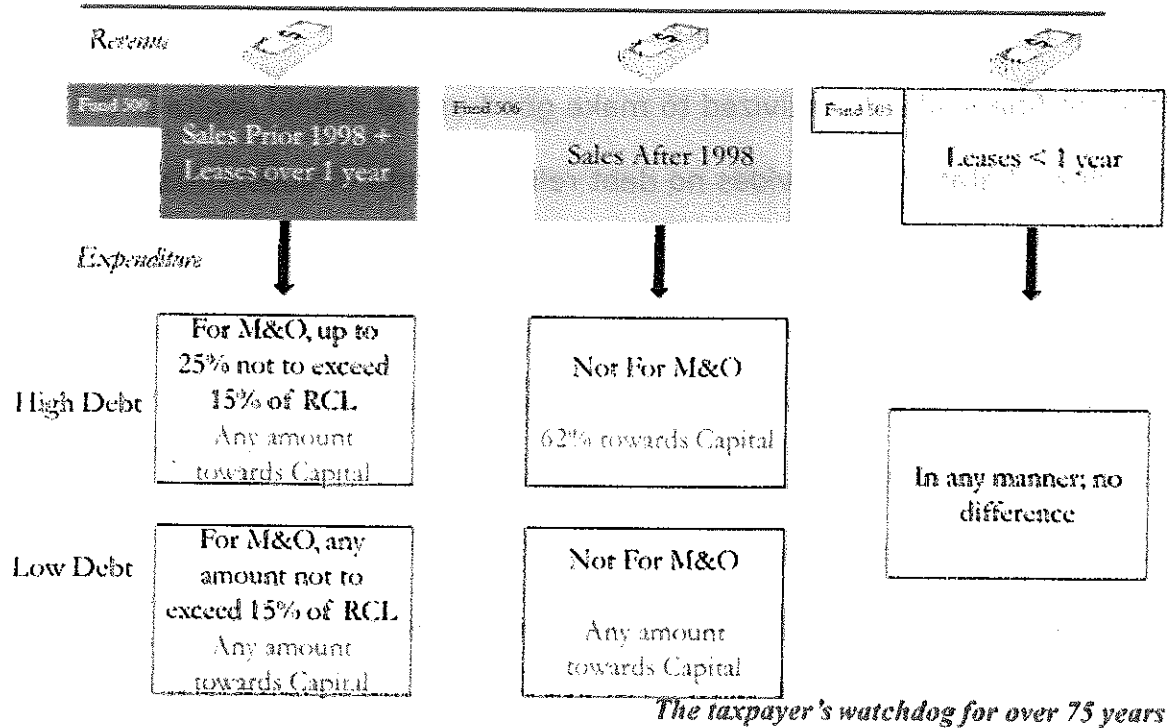
- Proceeds from the sale of property before Fiscal Year (FY) 1998 or the lease of property expended for M&O are prohibited from exceeding 15% of the RCL of which 10% may be utilized without an election and the remaining 5% is subject to voter approval.
- Proceeds from property sold after FY 1998 are prohibited from being used for M&O.
- If a district has an override in place the total increase to the RCL may not exceed 15% with specifications to where the increase is attributable.

For non-unified school districts with an outstanding bond indebtedness of greater than 7% of the assessed valuation or greater than 14% for unified districts, the following apply:

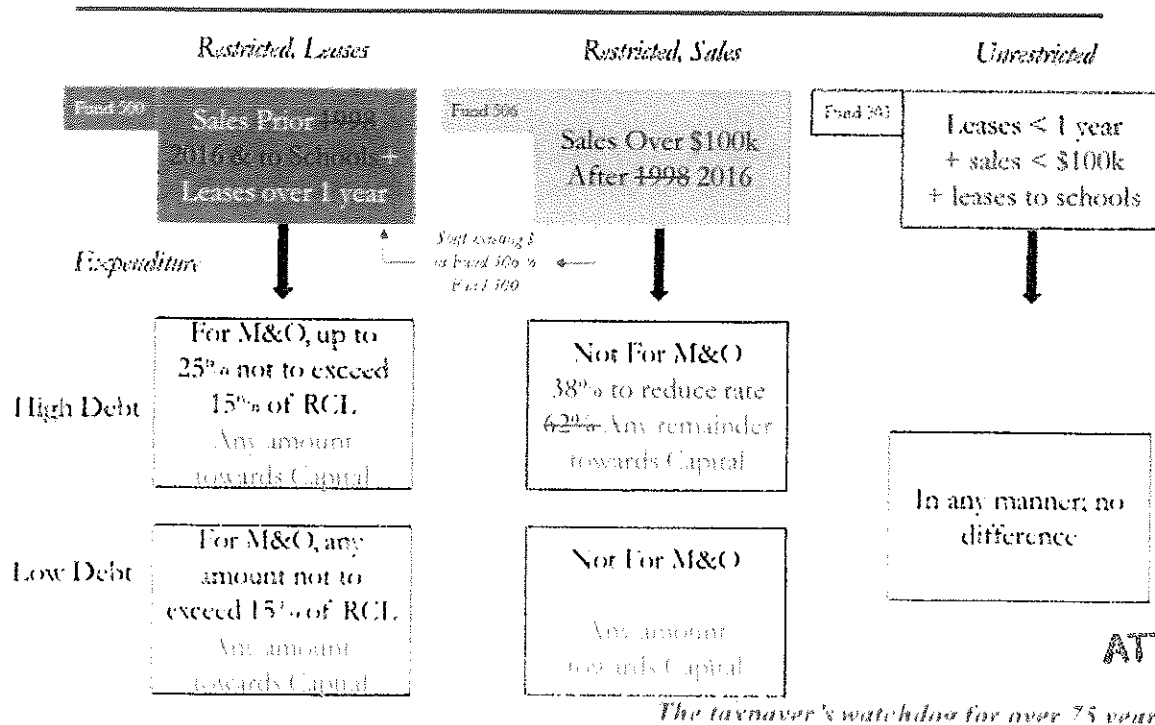
- M&O expenditures are prohibited from exceeding the lesser of a 15% increase to the RCL or a quarter of the amount of proceeds from the lease of property.
- Capital outlay expenditures using proceeds from the lease of property are unlimited.
- Capital outlay expenditures using proceeds from the sale of property are prohibited from exceeding 62% of the proceeds.

Governing boards are permitted to use the proceeds from the sale of property July 1, 1998 or the lease of property for the additional M&O expenses incurred from operating a year round school, subject to the previous limitations. School districts are required to establish three plant funds to place the proceeds of sale or lease of property in the district with specifications on the monies that may be deposited in each fund. If a school district's voters approve the sale of school property and the use of proceeds for construction, improvement or furnishing of school facilities, that money is required to be placed in a separate fund.

# A.R.S. §15-1102



# A.R.S. § 15-1102 Change



## **Use of proceeds from the sale or lease of school property**

### **Problem:**

Current law tends to confuse districts on their authority

Districts not financially incentivized to make good use of school capital

Current view of state law provides no debt relief in event of substantial sale

### **Solution:**

Shift existing plant dollars into a less restrictive fund; free up \$ for capital

Create \$100,000 litmus; sales below that amount spent freely by district

Create new incentives to sell & lease to other schools

Clarify state law; ensure intent is more clearly stated

Keep existing "debt test" to determine "high" and "low" debt districts

Keep existing expenditure authority for high debt districts who sell property

### **Outcomes:**

Instantly free up school plant money

Taxpayers in high debt districts get relief in event of substantial sale

\$100,000 litmus removes bureaucratic burden on schools

New incentives help expanding schools

**ARIZONA HOUSE OF REPRESENTATIVES**  
**Fifty-second Legislature - Second Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2476

DATE February 8, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas					✓
Mr. Mesnard		✓			
Mr. Olson					✓
Ms. Ugenti-Rita					✓
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		6	0	0	3

APPROVED:



DARIN MITCHELL, Chairman  
ANTHONY KERN, Vice-Chairman



COMMITTEE SECRETARY

ATTACHMENT 11



# HOUSE OF REPRESENTATIVES

HB 2538

municipal bonds; tax levy

Prime Sponsor: Representative Mesnard, LD 17

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X Committee on Ways and Means

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2538 expands the list of expenses that an annual tax levy for bond payments may be used for.

## PROVISIONS

1. Adds each of the following to the list of expenses that an annual levy for bond or refunded bond payments may not exceed:
  - a. Projected payments of principal and interest on new debt for the ensuing year.
  - b. Amounts used for early defeasance of existing debt.
  - c. Amounts necessary to correct prior year shortages in the levy.
2. Makes technical changes.

## CURRENT LAW

A county or municipality is required to annually levy a tax on all taxable property within its jurisdiction to pay the annual interest on issued bonds and to redeem the bonds when the date of maturity is reached. The annual levy cannot exceed the net amount necessary to make the annual payment, a reasonable delinquency factor, an amount necessary to correct prior year errors in the levy and any expenses and fees necessary for complying with federal income tax laws. The same levy requirements apply to refunding bonds as well. (A.R.S. §§ 35-458 and 35-474).

**ARIZONA HOUSE OF REPRESENTATIVES**  
**Fifty-second Legislature - Second Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2538

DATE February 8, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			✓
Ms. Ugenti-Rita					✓
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		8	0	0	1

APPROVED: 

DARIN MITCHELL, Chairman  
ANTHONY KERN, Vice-Chairman

  
COMMITTEE SECRETARY

ATTACHMENT 13



# HOUSE OF REPRESENTATIVES

HB 2055

class six property; elderly homeowners

Prime Sponsor: Representative Cardenas, LD 19

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X Committee on Ways and Means

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2055 classifies a property owned by an individual who qualifies for senior citizen property valuation protection as a class six property.

## PROVISIONS

1. Classifies a property used as the primary residence of an individual who qualifies for senior citizen property valuation protection as a class six property.
  - a. Stipulates the property must be valued at full cash value.
2. Prohibits the individual from having any legal, equitable, beneficial or security interest in any other real property except indirectly through an investment security that includes real property among its assets.
3. Specifies the property may include:
  - a. Up to 10 acres of land.
  - b. Between 10 and 40 acres of land if it is zoned exclusively for residential purposes or if it contains legal restrictions or physical conditions that prevent the division of the parcel.
4. Defines *physical conditions*.
5. Makes technical changes.

## CURRENT LAW

Article 9, Section 18 of the Arizona Constitution allows a homeowner who is 65 years of age or older to apply to the county assessor for property valuation protection, freezing the value of the homeowner's property for three years. The homeowner must have resided at the residence for at least two years and must have an annual income below \$35,184 or \$43,980 if the property is owned by two or more individuals. The resident must reapply for the protection every three years.

PROPOSED  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2055  
(Reference to printed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 32-1131, Arizona Revised Statutes, is amended to  
3 read:

4 32-1131. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Assessment" means the contribution by a contractor to the  
7 residential contractors' recovery fund.

8 2. "Fund" means the residential contractors' recovery fund.

9 3. "Person injured" means any owner of residential real property which  
10 is classified as class three property under section 42-12003 OR RESIDENTIAL  
11 REAL PROPERTY WHICH IS CLASSIFIED AS CLASS SIX UNDER SECTION 42-12006,  
12 PARAGRAPH 9 and which is actually occupied or intended to be occupied by the  
13 owner as a residence including community property, tenants in common or joint  
14 tenants who are damaged by the failure of a residential contractor or a dual  
15 licensed contractor to adequately build or improve a residential structure or  
16 appurtenance on that real property. Included in this definition are lessees  
17 of residential real property who contract directly with a residential  
18 contractor or indirectly with a subcontractor of that contractor and  
19 homeowners' or unit owners' associations after transfer of control from the  
20 builder or developer for damages to the common elements within the complex.

21 4. "Residential contractor" means a contractor as defined in section  
22 32-1101 who is licensed to perform work on residential property pursuant to  
23 this chapter and who engages in residential contracting."

24 Renumber to conform



House Amendments to H.B. 2055

1 Page 3, after line 43, insert:

2 "THIS PARAGRAPH DOES NOT APPLY TO ANY REAL AND PERSONAL PROPERTY AND  
3 IMPROVEMENTS WITH A FULL CASH VALUE, PURSUANT TO SECTION 42-1101, OF  
4 SIX HUNDRED THOUSAND DOLLARS OR MORE UNLESS THE PROPERTY QUALIFIED FOR  
5 VALUATION PROTECTION PURSUANT TO ARTICLE IX, SECTION 18, SUBSECTION  
6 (7), CONSTITUTION OF ARIZONA, AS OF DECEMBER 31, 2016."

7 Amend title to conform

MARK A. CARDENAS

2055CARDENAS3  
02/04/2016  
02:38 PM  
H: EF/rca

**ARIZONA HOUSE OF REPRESENTATIVES**  
**Fifty-second Legislature - Second Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2055

DATE February 8, 2016 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding		✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita		✓			
Mr. Weninger		✓			
Mr. Wheeler			✓		
Mr. Kern, Vice-Chairman			✓		
Mr. Mitchell, Chairman		✓			
		7	2	0	0

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
DARIN MITCHELL, Chairman  
ANTHONY KERN, Vice-Chairman

\_\_\_\_\_  
COMMITTEE SECRETARY

ATTACHMENT 16



# HOUSE OF REPRESENTATIVES

HB 2570

local government bonds; ballot statement  
Prime Sponsor: Representative Allen J, LD 15

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X Committee on Ways and Means

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2570 specifies information required to appear on municipal, county, school district and special taxing district bond election ballots.

## PROVISIONS

1. Requires municipal, county, school district and special taxing district bond election ballots to include the annual and lifetime costs of the bond for a home valued at the median full cash value (FCV) of property in the political subdivision.
  - a. The median FCV of property in the political subdivision itself must appear on the ballot.
2. Makes technical and conforming changes.

## CURRENT LAW

A.R.S. § 35-454 specifies information required to be provided on bond election pamphlets and ballots. Any written information provided by a political subdivision pertinent to the bond election must include financial information showing the estimated average tax rate for the proposed bond authorization. The election ballot must include the phrase "The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on bonds", along with statements explaining that a "Yes" vote authorizes the governing body of the subdivision to issue and sell bonds of the proposed dollar amount and a "No" vote does not authorize the issuance and sale of bonds.

**ARIZONA HOUSE OF REPRESENTATIVES**  
**Fifty-second Legislature - Second Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON WAYS AND MEANS BILL NO. HB 2570

DATE February 8, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Bolding	✓	✓			
Mr. Cardenas		✓			
Mr. Mesnard		✓			
Mr. Olson		✓			
Ms. Ugenti-Rita					✓
Mr. Weninger		✓			
Mr. Wheeler		✓			
Mr. Kern, Vice-Chairman		✓			
Mr. Mitchell, Chairman		✓			
		8	0	0	1

APPROVED:

  
\_\_\_\_\_  
DARIN MITCHELL, Chairman  
ANTHONY KERN, Vice-Chairman

  
\_\_\_\_\_  
COMMITTEE SECRETARY

ATTACHMENT 18

**ARIZONA STATE LEGISLATURE**  
Fifty-second Legislature - Second Regular Session  
**COMMITTEE ATTENDANCE RECORD**

COMMITTEE ON WAYS AND MEANS

CHAIRMAN: Darin Mitchell VICE-CHAIRMAN: Anthony Kern

DATE	1/25 /16	2/1 /16	2/8 /16	/16	/16
CONVENED	2:09 pm	2:42 pm	3:26 pm	m	m
RECESSED					
RECONVENED					
ADJOURNED	2:53pm	6:08pm	5:30pm		
MEMBERS					
Mr. Bolding	✓	✓	✓		
Mr. Cardenas	✓	✓	✓		
Mr. Mesnard	✓	✓	✓		
Mr. Olson	✓	✓	✓		
Ms. Ugenti-Rita	✓	exc	✓		
Mr. Weninger	✓	✓	✓		
Mr. Wheeler	✓	✓	✓		
Mr. Kern, Vice-Chairman	✓	✓	✓		
Mr. Mitchell, Chairman	✓	✓	✓		

✓ Present      -- Absent      exc Excused